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conclusion. Those who treat lightly the question of maintaining by protection industries which do not pay would do well to study the examples given in the chapter entitled "Where Every Penny Counts," of the way the burden of a few dollars more for food and clothing falls on that dishearteningly large class who can barely make income and outgo meet. The most interesting part of the chapter, however, deals with the relation of protection to combination. The migration of certain industries, such as the cotton-thread industry to the United States to avoid high duties, the migration of American capital to other countries for a like reason, and the centralization of control in the shoe industry have nowhere been set forth more interestingly than here.

It is not, however, with the general industrial results of the tariff that Miss Tarbell is chiefly concerned, but rather with the moral and intellectual results. "Simmered down to its final essence the tariff question as it stands in this country today is a question of national morals, a question of the kind of men it is making" (p. 357). "The history of protection in this country is one long story of injured manhood. Tap it at any point, and you will find it encouraging the base human traits—greed, self-deception, indifference to the claims of others." That charge may be well sustained by the facts; but it might fairly be made against the whole industrial system, resting on competition, which tariff-reform is expected to rehabilitate. One who is in sympathy with Miss Tarbell's cause cannot but regret that she has imputed to the protective system evils with which it is only remotely connected, if at all. He may believe that it has sins enough clearly its own to answer for to condemn it, without believing that it necessarily involves moral turpitude or intellectual weakness on the part of its adherents in Congress and out of Congress.

G. O. VIRTUE

THE UNIVERSITY OF NEBRASKA

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*Unemployment Insurance.* By I. G. GIBBON. London: P. S. King & Co., 1911. 8vo, pp. xviii+354. 6s.

This volume is "a record of researches in the Department of Sociology in the University of London." It was presented to the public soon after the English government announced its intention to introduce a bill, which has since become a law, to provide for sickness and unemployment insurance. The author has done his work well; he has written a calm, careful, and comprehensive discussion of the important problems

involved in the various schemes of unemployment insurance. Such insurance is not a cure for this fundamental economic evil—unemployment; it is merely a means of alleviating the distress resulting from unemployment.

Schemes of assisted unemployment insurance are divided into three main groups: (*a*) compulsory, (*b*) provided voluntary, and (*c*) autonomous voluntary insurance. Compulsory unemployment insurance has been tried in only one place, the town of St. Gall, Switzerland. The insured workers were obliged to contribute to the insurance fund; and the town granted a subsidy. Employers were not obliged to contribute. The law was not well drawn and was badly executed. After two years the system was abandoned. But this short and disastrous experiment is not considered to constitute a fair test of the merits or demerits of a compulsory system of unemployment insurance.

Since 1896 Cologne has provided for voluntary insurance against unemployment. The funds are derived from premiums paid by the insured workers, from donations, subscriptions, and gifts of private individuals, and from subsidies granted by the municipality. Any able-bodied workman over eighteen years of age who has resided in Cologne for at least one year and who follows a definite occupation may insure. Benefits are paid only for involuntary unemployment due to lack of work during the winter months. No benefits are paid for unemployment due to strikes or to sickness. And no benefit will be paid for a period of more than forty-eight days in a given financial year. Unemployed members must report twice daily at the labor exchange; and they are required, under penalty of forfeiture of benefits, to accept suitable work if it is offered. The control of the funds is placed in the hands of three committees composed of representatives of the municipality, the insured workers, and of the patrons and subscribers to the fund. The total membership has never reached the 2,000 mark, although there are about 120,000 workers in the city. In practice, the building trades supply at least three-fourths of the total number of the insured. The insured workers contribute on the average slightly less than one-half of the amount of the benefits. Other towns—Berne, Basle, Bologna, Venice, Geneva, Leipsic, and Haslemere—have also utilized this form of unemployment insurance. Obviously, this scheme will not prove very attractive to the man who is not likely to need assistance frequently. It contains a considerable element of philanthropy or relief; and it must be operated in close connection with an efficient employment agency. As such a small number of workers are attracted by the provided volun-

tary scheme, it has proven to be of little value in reducing the evils of unemployment.

The autonomous voluntary system of insurance utilizes existing organizations, usually trade unions, which provide insurance for their members. A subsidy is granted by the public authorities to the unions which insure their members against unemployment. "The underlying principle of the system is that of helping self-help." The danger of attracting only "bad risks" is in a large measure removed; and the advantage of mutual control of workmen organized into societies is obtained. Fraud is thus reduced to a minimum. On the other hand, insurance is practically restricted to organized workers. "There are many schemes of subsidized autonomous insurance in operation in continental countries." Probably the best and the most successful system is found in Ghent, an industrial city of about 200,000 inhabitants. In this city the sums voted by public authority are placed in the hands of a committee chosen by the common council. This committee decides upon the rate to be paid as a subsidy, investigates, if necessary, claims made for subsidies, and settles disputes. The rate of subsidy must not exceed the amount received by an individual as insurance from provision made by himself; and a subsidy is to be granted only upon the first franc granted per day as insurance. The provision against unemployment which may be subsidized may be made through an organization which provides insurance or through individual savings. In actual practice, nearly all subsidies are granted through organizations. Subsidies are allowed only in case of involuntary unemployment. Briefly stated, the mode of operation is as follows: An unemployed member of a trade union is entitled, for example, to receive twenty cents per day from his union. If the rate of subsidy is 60 per cent, the amount of subsidy allowed will be twelve cents per day. The union will therefore pay thirty-two cents per day to the unemployed member. In due time its accounts will be submitted to the committee, and the amount of the subsidy granted will be turned over to the union. In Ghent a large percentage of the wage-earners who might be expected to insure have insured and are eligible to receive a subsidy in case of involuntary unemployment. "Though much still remains to be done, Ghent has gone a long way toward solving the problem of unemployment, in so far as it can be solved through insurance." This scheme, by utilizing the trade unions, is believed to have exerted a steadying influence upon the unions and to have impressed them with a sense of their responsibilities to the community.

The conclusions drawn by the author from this painstaking study of continental countries are stated as follows: (1) "The state and local authorities should encourage and financially assist insurance against unemployment; insurance could thus be much extended." (2) "Insurance is best effected through voluntary associations (in practice, generally trade unions) which are managed by the insured themselves; and insurance in this form should be fostered as much as possible." (3) "Side by side with insurance effected through such associations, the state should provide means of insurance for those not otherwise insured." (4) "Insured persons should be given preference at labor exchanges, if as well qualified as other applicants, in the giving of public, and, in so far as employers acquiesce, of private employment." (5) "It is not expedient, on the whole, that insurance should be made compulsory." (6) "Nor does it seem advisable, at least when the insurance is voluntary, that compulsory contributions should be required from employers." Unemployment is considered to be an incident of the present economic system; and, consequently, it is urged that the community should bear the cost of providing for insurance against unemployment.

FRANK T. CARLTON

ALBION COLLEGE

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*Social Reform and the Constitution.* By FRANK J. GOODNOW.  
American Social Progress Series. New York: Macmillan,  
1911. 8vo, pp. xxi+365. \$1.50 net.

The newest volume of Macmillan's American Progress Series consists in substance of the lectures delivered by Professor Goodnow before the New York School of Philanthropy as the Kennedy Lectures for 1911, to which has been added some new material. It is the result of the author's comprehensive observation and keen analysis of all phases of the question: How far does the United States Constitution march with new thought and new conclusions in economics and politics? It is noted that our political problems are due to the efforts of a constantly changing economic system to work in an extremely inflexible political system, the economic system tending always toward concentration and unity, the political system still decentralized and in spirit individualistic. The eighteenth-century conceptions of governmental powers, of individual freedom, and of property rights long since abandoned by other countries but still the basis of our governmental structure produce our chief difficulties. All experience with federal government post-